

# FISCAL NOTE

**Bill #:** SB 20

**Title:** Require application of cash  
reappropriated to BASE aid

**Primary  
Sponsor:** Don Ryan

**Status:** As Introduced

Sponsor signature \_\_\_\_\_ Date \_\_\_\_\_

Chuck Swysgood, Budget Director \_\_\_\_\_ Date \_\_\_\_\_

## Fiscal Summary

	<b><u>FY 2003 Difference</u></b>	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>			
General Fund	(\$419,230)	(\$350,000)	(\$250,000)
<b>Net Impact on General Fund Balance:</b>	<b>\$419,230</b>	<b>\$350,000</b>	<b>\$250,000</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

1. In FY 2001, 85 school districts spent less than their BASE budgets. In total, they under spent the BASE budget by \$1,070,000.
2. Of these districts, 43 spent 99% or more of their BASE budgets.
3. The number of districts that under spent their BASE budgets declined from FY 1999 through FY 2001. This number will continue to decline in the future. More districts will fully expend their BASE budgets in response to this legislation.
4. Under SB 20, OPI will withhold direct state aid in FY 2003 from districts that did not fully expend their BASE budgets in FY 2002. To make up for the revenue loss in FY 2003, these districts will

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increase their BASE budget levies and the state obligation for guaranteed tax base (GTB) aid will increase.

5. It is estimated that the state will withhold \$1,070,000 from direct state aid in FY 2003. In response, district property taxes will increase by \$419,230 and state GTB will increase by \$650,770.
6. The backfill of state GTB is higher than average for this group of districts because many of them are located on or near a reservation or national park and have a low taxable valuation. These circumstances make these districts eligible for higher percentages of GTB aid.

FISCAL IMPACT:

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>			
Local Government Assistance	(\$419,230)	(\$350,000)	(\$250,000)
<u>Funding:</u>			
General Fund (01)	(\$419,230)	(\$350,000)	(\$250,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	\$419,230	\$350,000	\$250,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Property taxes to fund school district general fund budgets will increase by an amount equal to the state general fund savings.

LONG-RANGE IMPACTS:

More districts will fully expend their BASE budgets if SB 20 is approved.